



Redmoor Tin-Tungsten JV Agreement Signed

Managing Directors Update

26 May 2016

Welcome to the latest NAE Update covering today's announcement on the Joint Venture Agreement signed with Strategic Minerals Plc (AIM:SML) for the Redmoor Tin-Tungsten Project in Cornwall, UK. A copy of the announcement is attached.

SML also made an announcement on the Redmoor JV today which is available on their website (www.strategicminerals.net).

Over the past 6 months there has been a lot of progress on the Redmoor project including:

- Identification of high grade tin-tungsten-copper lodes (November 2015)
- An updated Inferred Mineral Resource (13.3Mt @0.56% SnEq) being defined including a High Grade resource of 2.3Mt @1.19%SnEq (December 2015)
- Completion of mining and mineral processing studies and an internal project evaluation with encouraging results (March 2016)
- Planning and budgeting for the next phase of exploration drilling (March 2016)

This work has built the foundations which made today's agreement with SML possible.

We believe the agreement signed today with our new JV partner, SML, will deliver significant value for our shareholders for the following reasons:

1. The ~A\$214,000 upfront non-refundable payment will provide an important source of working capital for NAE in the short term
2. We believe that SML is in a good position to raise the ~A\$1,931,000 necessary to complete the Option Payment before the end of the year. SML has access to raising capital on the UK AIM market and brokers in London have shown encouraging support for the project at initial meetings with NAE.
3. Once completed, the SML Option Payment will be used primarily to advance the next stage of exploration drilling at Redmoor enabling NAE shareholders to retain upside exposure to 50% of the Redmoor Project without having to fund the next stage of drilling.

We look forward to working with our new JV partner to progress the next stage of drilling at Redmoor which will commence ASAP when SML complete the Option Payment.

Our search for new project opportunities in other commodities has recently focused on several gold projects which we believe have the potential to create significant shareholder value even in the current market conditions. NAE's strategy is to actively progress gold project opportunities in parallel with advancing the Redmoor Project through the joint venture with SML.

Should you have any queries, please feel free to contact me.

Kind regards

Gary Fietz
Managing Director